



Kang'ombe House, 5th Floor-West Wing
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 (0) 1772466
Email- compcom@comesa.int



Common Market for Eastern
and Southern Africa

5th February 2021

CCC Merger Inquiry Notice No. 6 of 2021

Notice of Inquiry into the Proposed Merger Involving MTN (Dubai) Limited and aYo Holdings Limited

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed involving MTN (Dubai) Limited (“**MTN Dubai**”) and aYo Holdings Limited (“**aYo**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that MTN Dubai intends to acquire sole control of aYo (the Proposed Transaction). At present, aYo is jointly controlled by MTN Dubai and Momentum Metropolitan Strategic Investments Proprietary Limited (formerly MMI Strategic Investments Proprietary Limited) (“**MomMet**”).

The parties have submitted that MTN Dubai forms part of the MTN group of companies (the “**MTN Group**”). The MTN Group is a mobile operator which offers consumer, digital and business services. It operates in three regions: South and East Africa, West and Central Africa and Middle East and North Africa. The MTN Group offers voice, data, and digital services to consumers. Its business services include unified communications, security as a service, managed networks, cloud services, software as a service and enterprise mobility to various sectors including micro, small and medium-sized enterprises and public sectors. The MTN Group also provides web security and mail security services. Through its digital services it enables consumers to make financial transactions using their cellphones. The MTN Group is active in the following Member States: Ethiopia, Kenya, Mauritius, Rwanda, Sudan, Uganda and Zambia.

The parties have submitted that aYo is a micro insurance joint venture partnership that was established by MTN Dubai and MomMet in 2016. aYo’s principal product lines, supplied in the Common Market through its operating subsidiaries, aYo Uganda Limited and aYo Zambia Limited, are: (i) “aYo Recharge with Care”, which provides prepaid MTN customers with free life (“MyLife”) or hospital (“MyHospital”) cover every time they load MTN airtime plus a paid top up option and (ii) “aYo Send with Care”, which allows MTN mobile money customers to purchase insurance cover valid for 120 days, every time they send money to a beneficiary

(either an individual person or to a school for school fees). aYo is present in the following Member States: Mauritius (holding company), Uganda (operating subsidiary) and Zambia (operating subsidiary).

The parties have submitted that there are no horizontal overlaps or vertical relationships between the activities of the MTN Group, on the one hand, and aYo (including its controlled operating subsidiaries), on the other hand, in the Common Market, and accordingly, the Proposed Transaction will not lessen or prevent competition in any relevant market that may be found to exist in the Common Market, nor will any public interest concerns arise as a result of the Proposed Transaction in the Common Market. The parties have submitted that the Proposed Transaction is intended to increase aYo's penetration into the African microinsurance market, with aYo still being able to leverage the resources of MomMet to provide an improved range of microinsurance products. According to the parties, the Proposed Transaction also allows the MTN Group to expand its mobile financial service offerings across Africa.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the Proposed Transaction is likely to substantially prevent or lessen competition within the Common Market and whether the Proposed Transaction is or would be contrary to the public interest as provided for under Article 26 of the Regulations.

In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **26th February 2021**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.